



## Submission for OMB Review; Comment Request

The Department of Commerce will submit to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35).

*Agency:* Bureau of Economic Analysis (BEA), Department of Commerce.

*Title:* Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons.

*OMB Control Number:* 0608-0067.

*Form Number:* BE-125.

*Type of Request:* Regular submission.

*Number of Responses:* 8,800 annually (2,200 filed each quarter; 1,700 reporting mandatory data, and 500 that would file other responses).

*Average Hours Per Response:* 21 hours is the average for those reporting data, and one hour is the average for those filing an exemption or providing voluntary responses, but hours may vary considerably among respondents because of differences in company size and complexity.

*Estimated Total Annual Burden Hours:* 144,800.

*Needs and Uses:* The Quarterly Survey of Transactions in Selected Services and Intellectual Property with Foreign Persons (BE-125) is a survey that collects data from U.S. persons who engage in covered transactions with foreign persons in selected services or intellectual property. A U.S. Person means any individual, branch, partnership, associated group, association, estate, trust, corporation, or other organization (whether or not organized under the

laws of any State), resident in the United States or subject to the jurisdiction of the United States. A U.S. person must report if they had sales of covered services or intellectual property to foreign persons that exceeded \$6 million for the previous fiscal year, or are expected to exceed that amount during the current fiscal year, or if they had purchases of covered services or intellectual property from foreign persons that exceeded \$4 million for the previous fiscal year, or are expected to exceed that amount during the current fiscal year.

The data are needed to monitor U.S. trade in services, to analyze the impact of these cross-border services and intellectual property transactions on the U.S. and foreign economies, to compile and improve the U.S. economic accounts, to support U.S. commercial policy on trade in services, to conduct trade promotion, and to improve the ability of U.S. businesses to identify and evaluate market opportunities. The data are used in estimating the services component of the U.S. international transactions accounts (ITAs) and national income and product accounts (NIPAs).

The Bureau of Economic Analysis (BEA) is implementing one change to the reporting requirements and several modifications to the data collected on the BE-125 survey, beginning with reporting for first quarter 2019. These modifications will allow BEA to align its statistics more closely with international economic accounting guidelines, increasing the quality and usefulness of BEA's published statistics on trade in services.

BEA will adjust the reporting requirements of the survey so they are applied based on "combined" thresholds. Currently, the reporting requirements for the BE-125 survey are applied based on the dollar amount of each covered transaction type collected on the survey. For example, a reporter with transactions in several of the services and intellectual property categories covered by the survey, may only exceed the threshold for mandatorily reporting additional detail by country, and by relationship to the foreign transactor (foreign affiliate, foreign parent group, or unaffiliated) for a single transaction type. Under this approach, the

reporter is only required to report this additional detail, on the mandatory schedule(s), for the single transaction type in excess of the \$6 million (sales) or \$4 million (purchases) threshold.

The change will modify the reporting threshold to be applied based on a “combined” threshold for sales or purchases of the covered types of services and intellectual property transactions. U.S. persons with combined sales in excess of \$6 million or with combined purchases in excess of \$4 million, are required to disaggregate all transaction types by country and by relationship to the foreign transactor on the mandatory schedule(s). Because the combined thresholds are applied separately to sales and to purchases, the mandatory reporting requirements may apply only to sales, only to purchases, or to both.

BEA will make the following modifications to the data collection instrument:

- (1) Research and development services will be broken out into two categories:** (1) provision of customized and non-customized R&D services and (2) other R&D services, including testing.
- (2) Engineering, architectural, and surveying services will be broken out into three categories:** (1) architectural services; (2) engineering services; and (3) surveying, cartography, certification, testing, and technical inspection services.
- (3) Management, consulting, and public relation services will be broken out into three categories:** (1) market research services; (2) public opinion polling services; and (3) other management, consulting, and public relations services. Trade exhibition and sales convention services will be collected separately.
- (4) Database and other information services will be broken out into two components:** (1) news agency services and (2) other information services.
- (5) Computer services will be expanded into three categories:** (1) computer software, including end-user licenses and customization services; (2) cloud computing and data storage services; and (3) other computer services.

- (6) **Several service categories previously collected under “Other selected services” will be collected separately.** These services include contract manufacturing services, disbursements for sales promotion and representation, photographic services (including satellite photography), space transport services, trade exhibition and sales convention services, agricultural services, and waste treatment and depollution services.
- (7) **Mandatory Schedule C will be modified to only collect related goods details for construction services.** On the current BE-125 survey, exports (sales) of three service types are collected on a separate schedule, Schedule C, to allow for reporting of information on the gross operating revenues and related goods exports and foreign expenses. The three categories are: (1) construction services; (2) engineering, architectural, and surveying services; and (3) mining services. Beginning with reporting for first quarter 2019, only construction services will be collected on Schedule C. Mining services, as well as the three new categories that will replace engineering, architectural, and surveying services, will be collected on Schedule A.

BEA estimates the proposed changes, being implemented beginning with reporting for first quarter 2019, will increase the average number of hours per response from 19 hours to 21 hours for those reporting data. The reporting thresholds of the current BE-125 survey will be retained. The effort to keep current reporting thresholds unchanged is intended to minimize respondent burden while considering the needs of data users. Existing language in the instructions and definitions will be reviewed and adjusted as necessary to clarify survey requirements.

*Affected Public:* Businesses or other for-profit organizations.

*Frequency:* Quarterly.

*Respondent's Obligation:* Mandatory.

*OMB Desk Officer:* Robert Sivinski, (202) 395-1205.

This information collection request may be viewed at [reginfo.gov](http://reginfo.gov)  
<http://www.reginfo.gov/public/>. Follow the instructions to view Department of Commerce  
collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should  
be sent within 30 days of publication of this notice to [OIRA\\_Submission@omb.eop.gov](mailto:OIRA_Submission@omb.eop.gov)

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